



General Assembly

February Session, 2008

**Substitute Bill No. 5798**

\* \_\_\_\_\_HB05798PD\_FIN031408\_\_\_\_\_\*

**AN ACT ESTABLISHING A TAX CREDIT FOR GREEN BUILDINGS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. (NEW) (*Effective October 1, 2008, and applicable to income*  
2       *years commencing on or after January 1, 2009*) (a) As used in this section:

3       (1) "Allowable costs" means the amounts chargeable to a capital  
4       account, including, but not limited to costs for: (A) Construction or  
5       rehabilitation; (B) commissioning; (C) interest paid during the  
6       construction or rehabilitation period; (D) legal, architectural,  
7       engineering and other professional fees allocable to construction or  
8       rehabilitation, including energy modeling; (E) closings for construction  
9       or mortgage loans; (F) recording taxes and filing fees for construction  
10      or rehabilitation; (G) site work, such as temporary electric wiring,  
11      scaffolding, demolition, and fencing and security; and (H) carpeting,  
12      partitions, walls and wall coverings, ceilings, lighting, plumbing,  
13      electrical wiring, mechanical, heating, cooling and ventilation,  
14      excluding costs for purchase of land, remediation or telephone systems  
15      or computers;

16      (2) "Applicant" means any individual, partnership, limited liability  
17      company, corporation, nonprofit organization or institutional project  
18      organization that is the owner or developer of a certified project and  
19      that applies for a tax credit under this section;

20 (3) "Certified project" means a real estate development project that  
21 has been issued a certificate by the United States Green Building  
22 Council stating that such project has met or exceeded the applicable  
23 green building rating system silver certification or a certificate for a  
24 similar certification by another organization determined to be  
25 equivalent by the Commissioner of Environmental Protection, except  
26 that if a single project consists of more than one building, "certified  
27 project" means a building or buildings within such project that has  
28 been issued such certificate;

29 (4) "Eligible project" means a real estate development project that is  
30 designed to meet or exceed the applicable green building rating system  
31 silver certification or any other certification determined to be  
32 equivalent by the Commissioner of Environmental Protection; except  
33 that if a single project consists of more than one building, "eligible  
34 project" means one or more buildings within such project which is or  
35 are designed to meet or exceed the applicable green building rating  
36 system silver certification or any other certification determined to be  
37 equivalent by the Commissioner of Environmental Protection;

38 (5) "Accredited professional program" means any one of the  
39 professional accreditation program for architects, engineers and other  
40 building professionals as administered by the United States Green  
41 Building Council or any other professional program determined to be  
42 equivalent by the Commissioner of Environmental Protection;

43 (6) "Green building rating system" means any one of the leadership  
44 in energy and environmental design green building rating systems  
45 developed by the United States Green Building Council or any other  
46 system determined to be equivalent by the Commissioner of  
47 Environmental Protection on or before registration of the project with  
48 the United States Green Building Council or other rating organization;  
49 and

50 (7) "Major renovation" means the renovation or improvement of a  
51 building, the cost of which is at least fifty per-cent of the replacement

52 cost of a building.

53 (b) On and after January 1, 2010, there shall be allowed a credit for  
54 all taxpayers against any tax due under the provisions of chapter 207,  
55 208, 209, 210, 212 or 229 of the general statutes for the construction or  
56 renovation of a certified project, and, in the case of a newly constructed  
57 building, for which a certificate of occupancy has been issued not  
58 earlier than January 1, 2009. The amount of the credit shall not exceed  
59 fifty million dollars in the aggregate for the duration of the program.

60 (c) The credit shall be equivalent to a base credit of (1) for new  
61 construction or major renovation of a building certified by the green  
62 building rating system or other system determined by the  
63 Commissioner of Environmental Protection to be equivalent, (A) eight  
64 per cent of allowable costs for a silver rating, (B) nine per cent of  
65 allowable costs for a gold rating, and (C) ten per cent of allowable costs  
66 for a platinum rating; and (2) for core and shell or commercial interior  
67 projects, (A) three per cent of allowable costs for a silver rating, (B)  
68 four per cent of allowable costs for a gold rating, and (C) six per cent of  
69 allowable costs for a platinum rating. Total allowable costs shall be not  
70 more than two hundred seventy-five dollars per square foot of the  
71 building.

72 (d) (1) The Secretary of the Office of Policy and Management shall  
73 issue an initial credit certificate if the secretary determines that the  
74 applicant is likely, within a reasonable time, to place in service  
75 property which would warrant the allowance of a credit under this  
76 section. Such certificate shall state (A) the first taxable year for which  
77 the credit may be claimed, (B) the maximum amount of credit  
78 allowable, and (C) an expiration date by which such property must be  
79 placed in service, which expiration date may be extended at the  
80 discretion of the Secretary of the Office of Policy and Management.  
81 Such certificate shall reserve the credit allowable for the applicant  
82 named in the application until the date of expiration. The secretary  
83 may extend the reservation of the credit.

84       (2) No initial credit certificates in the aggregate for more than fifty  
85 million dollars shall be issued by the Secretary of the Office and Policy  
86 and Management.

87       (3) For each taxable year for which a taxpayer claims a credit under  
88 this section, the taxpayer shall obtain an eligibility certificate from an  
89 architect or professional engineer licensed to practice in this state and  
90 accredited through an accredited professional program. Such  
91 certificate shall consist of a certification, under the seal of the architect  
92 or engineer, that the building, base building or tenant space with  
93 respect to which the credit is claimed, meets or exceeds the applicable  
94 green building rating system silver certification or other certification  
95 determined to be equivalent by the Commissioner of Environmental  
96 Protection which was in effect at the time of certification. The  
97 certification shall set forth the specific findings upon which the  
98 certification is based and shall state that the architect or engineer is  
99 accredited through the accredited professional program.

100       (4) To obtain the credit, the applicant shall file (A) the initial credit  
101 certificate pursuant to subdivisions (1) and (2) of this section, (B) the  
102 eligibility certificate described in subdivision (3) of this section, (C) a  
103 copy of the certificate from the United States Green Building Council  
104 stating that the eligible project has met or exceeded the applicable  
105 green building rating system silver certification or a copy of other  
106 certification by a rating organization determined to be equivalent by  
107 the Commissioner of Environmental Protection, and (D) an application  
108 to claim the credit with the Commissioner of the Department of  
109 Revenue Services. The applicant shall send a copy of such documents  
110 to the Secretary of the Office of Policy and Management.

111       (e) (1) A taxpayer may claim not more than a total of sixty per cent  
112 of allowable costs in any tax year, and any percentage of tax credit that  
113 the taxpayer would otherwise be entitled to in accordance with  
114 subsection (c) of this section may be carried forward for a period of not  
115 more than five years.

116 (2) Any credit allowed pursuant to this section may be sold,  
117 assigned or otherwise transferred, to one or more taxpayers. If an  
118 applicant sells, assigns or otherwise transfers such credit, the  
119 transferor and transferee shall jointly submit written notification of  
120 such transfer to the Commissioner of Revenue Services not later than  
121 thirty days after such transfer. The notification shall include any  
122 information required by said commissioner. Failure to comply with  
123 this subdivision shall result in a disallowance of such credit until there  
124 is full compliance by the transferor and transferee.

125 (f) Notwithstanding any provision of the general statutes, any  
126 subsequent successor in interest to the property that is eligible for a  
127 credit in accordance with subsection (c) of this section may claim such  
128 credit if the deed transferring the property assigns the subsequent  
129 successor such right, unless the deed specifies that the seller shall  
130 retain the right to claim such credit. Any subsequent tenant of a  
131 building, for which a credit was granted to a taxpayer pursuant to this  
132 section, may claim the credit for the period after the termination of the  
133 previous tenancy that such credit would have been allowable to the  
134 previous tenant.

135 (g) Not later than January 1, 2009, the Secretary of the Office of  
136 Policy and Management, in consultation with the Commissioners of  
137 Environmental Protection and Revenue Services, shall adopt  
138 regulations, in accordance with the provisions of chapter 54 of the  
139 general statutes, to implement the provisions of this section.

140 Sec. 2. (*Effective from passage*) On or before July 1, 2012, the Secretary  
141 of the Office of Policy and Management, in consultation with the  
142 Commissioners of Environmental Protection and Revenue Services,  
143 shall prepare and submit to the Governor, and the joint standing  
144 committees of the General Assembly having cognizance of matters  
145 relating to the environment, finance, revenue and bonding, and  
146 planning and development, in accordance with the provisions of  
147 section 11-4a of the general statutes, a written report containing (1) the  
148 number of taxpayers applying for the credits provided in section 1 of

149 this act; (2) the amount of such credits granted; (3) the geographical  
 150 distribution of such credits granted; and (4) any other information  
 151 deemed appropriate. On or before July 1, 2010, a preliminary draft of  
 152 the written report shall be submitted to the Governor and the joint  
 153 standing committees of the General Assembly having cognizance of  
 154 matters relating to the environment and finance, revenue and bonding,  
 155 and planning and development, in accordance with the provisions of  
 156 section 11-4a of the general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2008, and applicable to income years commencing on or after January 1, 2009</i>	New section
Sec. 2	<i>from passage</i>	New section

**PD**

**Joint Favorable Subst. C/R**

**FIN**